

# Inflation Reduction Act: Implementation Timeline

**2023**

**2024**

**2025**

**2026**

### Inflation Rebate Program

**October 1, 2022**  
Marks beginning of first 12-month period for which drug manufacturers could pay inflation rebates if certain Part D drugs' prices increase faster than the rate of inflation.

**January 1, 2023**  
Marks beginning of first quarter for which drug manufacturers could pay inflation rebates if certain Part B drugs' prices increase faster than the rate of inflation.

### Drug Price Negotiation Program

**August 29, 2023**  
CMS publishes list of first 10 Medicare Part D drugs selected for negotiation.

**September 1, 2024**  
CMS publishes the negotiated maximum fair prices negotiated for first 10 selected Part D drugs. (Prices will go into effect in 2026).

### Drug Price Negotiation Program

**February 1, 2025**  
CMS selects 15 additional Medicare Part D drugs for negotiation.

**November 30, 2025**  
CMS publishes the negotiated maximum fair prices for the additional 15 selected Part D drugs. (Prices will go into effect in 2027).

### Drug Price Negotiation Program

**Beginning 2026**  
Maximum fair price for first 10 Part D drugs selected for negotiation goes into effect.

**February 1, 2026**  
CMS selects 15 additional Medicare Part B or Part D drugs for negotiation.

**November 30, 2026**  
CMS publishes maximum fair prices for the additional 15 selected Part B or Part D drugs. (Prices will go into effect in 2027).

### Reduced Coinsurance for Part B Drugs

**April 1, 2023**  
Medicare beneficiaries will pay lower coinsurance for some Part B drugs if any such applicable drug's price increases faster than the inflation rate.

### Low-Income Subsidy Expansion

**January 1, 2024**  
CMS expands eligibility for full low-income subsidy to Medicare Part D beneficiaries with incomes up to 150% of FPL.

### Manufacturer Discount Program

**Beginning 2025**  
Manufacturer Discount Program replaces Coverage Gap Discount Program and requires manufacturer discounts both in the initial coverage phase and catastrophic phase.

### Part D Benefit Redesign

**Beginning 2026**  
Government reinsurance in the catastrophic phase of Part D will be 40% for Medicare Part D drugs selected for negotiation in their applicability period.

### Insulin Cost-Sharing

**January 1, 2023**  
Medicare Part D beneficiaries' monthly cost-share for insulin is capped at \$35.

**July 1, 2023**  
Medicare beneficiaries who receive insulin under Medicare Part B will not pay more than \$35 for a month's supply.

### Part D Benefit Redesign

**January 1, 2024**  
Eliminates 5% beneficiary coinsurance for Part D costs exceeding catastrophic coverage threshold.

**January 1, 2024**  
Part D Premium Stabilization: Part D average premium increase is capped at 6% through 2029.

### Part D Benefit Redesign

**Beginning 2025**  
Medicare Part D beneficiaries will not pay more than \$2,000 in out-of-pocket costs for prescription drugs. Beneficiaries will also have option to pay their out-of-pocket costs in monthly amounts spread out over the year.

**Beginning 2025**  
Government reinsurance in the catastrophic phase of Part D will decrease from 80% to 20% for brand-name drugs, biologics, and biosimilars, and will decrease from 80% to 40% for generics.

### Vaccine Cost-Sharing

**January 1, 2023**  
ACIP-recommended adult vaccines will be available to Medicare Part D beneficiaries with no member cost-share.

**October 1, 2023**  
Most adults with Medicaid and CHIP will receive coverage of ACIP-recommended vaccines with no member cost-share.

### Part B Biosimilar Payment Cap

**July 1, 2024**  
Medicare will cap Part B payment amount for new biosimilars when average sales price data is not available.